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FOREIGN SERVICE DESPATCH

FROM : AMCONSUL, LAGOS, NIGERIA

124
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

DATE: September 10, 1951

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SUBJECT: Fortnightly Review - August 26 to September 8, 1951

DEPARTMENT OF STATE A/CDC/MR

REVIEWED BY E.W. Holmes DATE 7/16/82

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POLITICAL

General Comments

On the eve of final elections, looking toward a much greater degree of self-government, it can be said that in Nigeria, Britain's largest colony, there has been, during the past 2 years, a good deal of progress towards general political stability, culminating in the introduction of a new Constitution. Racial relations are not bad. In the south, particularly among the Yorubas, a middle class, with intellectual and commercial interests of its own, has emerged. The produce marketing boards have contributed greatly to balanced food and crop production and distribution.

Of course, in a country of 30,000,000 souls, differing widely in tribal temperament, stages of development and even religion, all cannot be peace and order. While in general the situation could be described as quiet, there is some endemic turbulence. The trade union movement has lost ground because of greed and bad leadership of certain union officials, and labor relations have in general deteriorated. Communist propaganda literature and some money have been imported, but the consensus seems to be that commies have lost ground, despite above developments.

During the elections the only influential political party which attempted to function on an all-Nigerian basis was Dr. Azikiwe's NCNC. That movement, however, was not wholly successful because of the aloof attitude of the Islamic north, and the fact that it conflicted with the Yorubas in the west.

The Fifth and last session of the Legislative Council, under the old constitution, came to an end on August 25, 1951. There were no accomplishments of special note, but the Council did pass a motion by the Second Lagos Member, Dr. the Honorable Nnamdi AZIKIWE, urging the Government to see to the implementation of its assurance that the general elections will be free and fair.

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The end of the last Legislative Council session marked the close of an era and the ushering in of a new age different in many respects from its predecessor, particularly as regards the make-up and functions of the new Regional Assemblies and the new House of Representatives as compared with the old Legislative Councils.

Digest of Remarks by Financial Secretary in Legislative Council on Cost of Living and Inflation.

He said the reasons for rising costs of living were:

1. Stockpiling by governments, because of Korea situation, causing (a) rises in prices of manufactured goods and basic materials, (b) higher labor and freight charges on goods exported to Nigeria, and (c) shortages.

2. The inflationary effect of the increases in the amount of money received by Nigeria for exported goods.

The Financial Secretary said that the government holds the view that the most hopeful approach to the problem is to take all the steps it can to insure (1) that larger supplies, both of imported goods and of local foodstuffs, come forward; and (2) that the additional amount of money going into circulation is kept within reasonable limits.

Concerning price controls, the Financial Secretary cited a long list of reasons why such controls were not advisable or possible in Nigeria. He also said that the Government opposed across-the-board increases in government salaries as that would aggravate inflation.

Trying desperately to hold the line against inflation, he said that above policy has met with a demonstrable degree of success as prices have not gone up here nearly so much as in neighboring territories or in the world as a whole.

While he said that at present no general increases in government salaries were possible, because that would aggravate inflation, he promised to do something soon to help the lowest paid groups, and in the meantime to conduct a general salary review.

Government Ban on Political Activity

The government has revised its existing General Orders banning all political activity by employees of the government. They forbid (without express permission of Chief Commissioner) acting as editor of a publication; contributing to newspaper material which could be regarded as a matter of political controversy; holding office in

political organization; speaking in public on political controversy; offering self as candidate in certain elections; indicating publicly support or opposition to any party, candidate or policy; and engaging in canvassing in support of political candidates.

NCNC Names Candidates for General Election

The five candidates of the NCNC for the Lagos area are: Dr. Nnamdi Azikiwe, Dr. Ibyinka OLORUN-NIMBE, Mr. Adeleke ADEDOYIN, Mr. F. O. COKER, and Mr. H. P. ADEBOLA.

Terms of Executive Council Members Extended

Four Nigerian members of the Executive Council have been reappointed for a further 6 months, inasmuch as their terms ended on September first. The object of this measure is to insure that the presence of Nigerian members on the Executive Council is maintained until the new constitutional arrangements are brought into being, but the extension is, of course, unlikely to last for the full six months. The Executive Council will cease to exist from the time when the new Council of Ministers is established.

Hearings Opened on EZE Case

At the end of August hearings began on the case to prosecute Nduka EZE, pro-communist former labor leader for alleged fraud in obtaining £300 from a student. Witnesses are now being heard.

ECONOMIC

Cost of Living Rising

No subject is more worrying to the Government right now than the generally rising cost of living. There have been many suggestions as to price controls, but these have been rejected for various reasons. The Government is trying to increase the supply of goods and foods, both imported and domestic, and some success has been registered locally (see below). The Government feels that the real solution does not lie in generally increased wages, because of the inflationary effects.

More Food in North

The food production drive in the Northern Provinces is producing encouraging results, and prices of some important foodstuffs have declined sharply of late. This includes corn and millet in Kano, and should have some effect in countering generally increasing living costs.

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1952 and 1953. And whereas in 1938 Nigerian supplies accounted for less than 1/30th of U.K. imports of raw cotton from the Commonwealth, last year they amounted to just over one quarter.

The notable feature of world trade in kapok since the war has been the increasing proportion supplied by Commonwealth countries, the review notes. "Excluding Pakistan shipments to India, these came to nearly 10 million lb in 1953 and represented one third of the world total, whereas in 1938 they amounted to only 5.5 million lb and formed less than 1/10th of the overall trade ..... Although exports from India and Nigeria continued to expand in 1954, reduction in supplies from Ceylon and East Africa caused the Commonwealth total, excluding Indo-Pakistan trade, to decline by about 100,000 lb."

In a table listing kapok exports from the chief producing countries, the review shows that, whereas in 1949 Nigerian exports amounted to 179,000 lb of a Commonwealth total of 5,529,000 lb, in 1953-54 they accounted for 933,000 lb of the Commonwealth's total kapok exports of 9,829,000 lb.

Edward D. McLaughlin
American Consul General

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